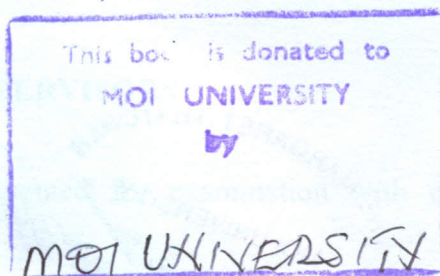


**THE EFFECTS OF OVERCOMMITMENT OF EMPLOYEE SALARY ON
JOB PERFORMANCE: A STUDY OF ADMINISTRATION POLICE IN KISII
CENTRAL DISTRICT, KENYA.**

BY

THE MARGARET THATCHER
MOI UNIVERSITY
LIBRARY

ERICK NYAKUNDI ONSONGO



**THESIS SUBMITTED TO THE SCHOOL OF HUMAN RESOURCES
DEVELOPMENT IN PARTIAL FULFILMENT OF MASTER OF
PHILOSOPHY IN HUMAN RESOURCE DEVELOPMENT**

**DEPARTMENT OF DEVELOPMENT STUDIES
SCHOOL OF HUMAN RESOURCE DEVELOPMENT
MOI UNIVERSITY, ELDORET.**

NOVEMBER, 2012



ABSTRACT

Employees are privileged to acquire loans from banks and various savings societies. The government has established minimum salary level that must be maintained while securing the loans. However such levels have not been observed accordingly. This has led to a situation known as 'pecuniary embarrassment' as a result of employees over committing their pay slips with loans. The study focused on the effect of over commitment of employee salary on job performance among the Administration Police employees within Kisii Central District. The objectives of the research included: to investigate the relationship between over committing the pay slip and employee job performance, to find out whether over committing employee pay leads to high investment, establish whether over committing the salary is caused by lack of employee awareness of the effect it has on employee performance. Finally, the study aimed at finding out the relationship between employee over committing their salary and corruption within the District. This study was based on the Frederick Hertzberg's two-factor theory; Hertzberg theorized that workers are either satisfied or dissatisfied by their job. Workers have to think of a time when they feel especially good or bad about their job and the theory explains why they feel so. The following are the research questions of this study: Does over committing the salary affect job performance? What are the factors that lead to employee over committing the pay slip, Does over committing the pay slip lead to investment, what is the relationship between over committing the pay slip and corruption? The study was carried out among the employees of the Administration Police within Kisii Central District. A case study design was adopted. Random and stratified sampling technique was used to select a sample of 150 employees out of 500 to represent the sample population. Purposive sampling was used to select 6 District officers in charge of the divisions and Administration Police Divisional commanders. Data was collected by use of questionnaire and interview schedules and analyzed by use of both descriptive and inferential methods. Frequency tables were used to report the research findings, while Chi-square and Pearson coefficient correlations were used to test the hypotheses. The study made significant contributions on the ways and means of coping with over commitment of employee salary which is aimed at more effective delivery of services within the public service, the study findings included employee over commitment of the salary affects their performance it had a very powerful association to employee performance. There is an association between over committing the pay slip and corruption, Stressful condition and circumstances in the work place due to over commitment influence corruption; four conditions were selected for analysis. Person's coefficient correlation value of (r) was negative in all variables. There is relationship between employee over commitment of the salary and investment. It emerged from the findings that none of the selected variables indicated any influence on individual employee investment level. The hypotheses that stated that there is a relationship between over commitment of employee salary and job performance was rejected at $P < 0.005$ there is a relationship between over commitment of employee salary and employee lack of awareness. Study recommendations include; the management should approach over commitment of employee salary and its effect based upon two principles namely; Promoting effective financial management practices aimed at the prevention of over commitment of employee salary. Identifying and addressing causes of over commitment of employee salary.